Scott. II-27—58,004—27-1047.

6/6/29/P/54

(194) Department.

Ms SERIES.

G.O. NO. 3419

Dated 25 6 48

[Despatch Abstract.]

[redacted] - Agriculture - Q & P Kollegal -
Experimental Weaving Section - Starting
of - Proposal of Ceo D/C - Approved

DEPARTMENT OF INDUSTRIES AND COMMERCE

No.3689.D/46 dated 3rd October, 1947.

From

M. T. Raju Esq., Bar-at-Law., I.C.S.,
Director of Industries and Commerce,
Chepauk, Triplicane, M A D R A S.

To

The Secretary to Government,
Development Department,
Fort St. George, M A D R A S.

Sir,

Sub: Industries - Sericulture - Government Silk Filatures, Kollegal - Installation of Hand-looms - Sanction of Expenditure - Requesting.

In G.O. No. MS.4168, Development, dated 7th November, 1946, Government sanctioned an expenditure of Rs.1,000/- on the manufacture of Silk Fabrics for advertisement and presentation purposes and in pursuance thereof 4 hand-looms were installed in January, 1947 in the Filature at a cost of Rs.400/- A statement showing the quantity of silk fabrics woven, cost, quantity of silk consumed etc., ~~for~~ is enclosed for the information of Government. The working of these looms was inspected by the Hon'ble Minister for Industries and Information, when he recently visited Kollegal, and he also appreciated the quality of the fabrics produced. The Hon'ble Minister desired that 8 more looms should be added in order that all the twisted silk produced on the twisting machine working in the Filature could be consumed in the filature itself, and directed that the work of installing the additional looms should be taken up immediately in anticipation of Government sanction. The work of installation of the additional hand-looms is now in progress.

2. The General Manager has submitted an estimate for Rs.1,800/- (enclosed) for installing the additional 8 hand-looms including provision of 4 sets of dhoby arrangements to enable designs on borders being worked. The cost of erecting each loom works out to Rs.165/- I request that Government may be pleased to sanction an expenditure of Rs.1,800/- on the erection of the additional 8 hand-looms in the Filature including 4 sets of dhoby arrangements for border designs. The increased rate for the looms now to be installed is to enable purchase of ready made loom with good quality steel reeds against locally-made ones with bamboo reeds previously installed in the filature.

3. The expenditure will be debitable to "85. A. Capital outlay on provincial schemes of State Trading - Government Silk Filatures, Kollegal - 6 Buildings - Plant and Machinery and other equipments".

P. t. o.

4. I also request that sanction may be accorded to the sale of about 200 yards of Silk Fabrics so far produced on the four Hand-looms and to the sale of the fabrics that will be produced hereafter at prices fixed to cover up the actual working expenses plus an addition of 8 annas per yard to cover in direct charges and a small margin of an profit. As the scheme is at present worked as an experimental measure, the necessary number of weavers and Dhoby designers will be engaged at market rates and it is not proposed to include higher supervision charges in the actual working cost. It is proposed to work the scheme for a period of 6 months in the first instance to ascertain its potentialities and a detailed report with a proforma account explaining the financial implications will be submitted at the end of this period with recommendations to make the weaving section an adjunct to the filature, if the results justify such a course.

for Director of Industries and Commerce

4.X.47

GSN.3.10.

ESTIMATE FOR THE ADDITION OF 8 HAND-LOOMS (IMPROVED TYPE) WITH COMPLETE ACCESSORIES.

		Rate	
1. Hand-looms (improved type) as per details below	8 Nos.	Rs.165/-	Rs.1,320
2. Dhoby arrangement for border designs	4 Nos.	120/-	480
			1,800

(RUPEES ONE THOUSAND AND EIGHT HUNDRED ONLY).

DETAILS FOR EACH LOOMS

Hand-loom	One	Rs.	35	0	0
Frame	One set	Rs.	15	0	0
Beams - Teakwood	One		20	0	0
Steel reeds	One		35	0	0
Gut or cotton heald	One		30	0	0
Moving shuttles	Two		15	0	0
Erection charges			5	0	0
Cement	1/2 bag		2	8	0
Teakwood reepers for ~~managers~~ Hangers	Two		7	8	0
			165	0	0

Sanctioned
6.x.47
for Secretary

DATA FOR FIXING THE RATE OF SILK FABRICS

Piece No.	Quantity of yarn consumed.	Rate	Value	Weaving charges paid	Total	No. of yards woven	Rate arrived at per yard.
I and II White Shirting	1 10 0 4 1 13¾ 0 3 0 1 15 3 0	37 8 0 38 12 0 37 8 0 37 8 0 37 8 0 35 4 0	60 15 0 9 11 0 62 11 8 4 11 0 72 10 6 105 12 0	100	423 7 2	61 yards	6 15 1
III -do-	1 2½ 2 8	36 8 0 36 0 0	58 2 9 90 0 0	50	198 2 9	31 "	6 6 3
IV -do-	1 12¼ 2 8	36 8 0 36 0 0	65 9 4 90 0 0	50	205 9 4	30¼ "	6 10 11
V -do- (Striped	1 10 2 6½	36 8 0 36 0 0	59 5 0 86 10 0	50	195 15 0	30½ "	6 6 9
VI Saree (Black malgowa border)	4 9	36 8 0	166 8 6	50	216 8 6	31 " (4 Nos. 6 yds. sarees and one 7 yds saree.	6 15 9
IX Saree (Tricolour border	2 0¾ 2 8	36 8 0 36 0 0	74 11 4 90 0 0	50	214	31 " (5 Nos. 6 yds. 1 saree and 1 piece of 1 yd.)	6 14 10

54

6.X.41

Superintendent.

Please see draft ... 7

9

Dev. Dept-

Memo No. 96103 DI/47-2 dated. 1-11-47.

Sub :- Industries - Sericulture - G.S.F. Kollegal - Installation of additional handlooms etc.
Ref :- From the D.I.&.C. No. 3689 D/46 dated 3.10.47

In the letter cited above, the D.I.&.C. has stated that it is not proposed to include higher supervision charges in determining the actual working cost of the silk fabrics. It has been suggested that there is no justification to omit the higher supervision charges and that the sale price of the fabrics should be fixed after taking into account such charges also. The D.I.&.C. is requested to adopt this suggestion and also to submit urgently an estimate of the annual recurring expenditure involved in undertaking the experiment to manufacture silk fabrics as an adjunct to the activities of the Govt. Silk Filatures, Kollegal.

The D.I.&.C.

R. 17-11-47

R. 20-11-47.

R. 11.12.47

NR. 3.1.48

R. on 5-1-48

on 25-1-48

CNo 96103 DF/47

11

INDUSTRIES AND COMMERCE DEPARTMENT.

7419 DF 47 19-1 ees

From
The Director of Industries and commerce, M a d r a s

To
The Secretary to Government, Development Dept., Madras.

No.3869 D/46 dated 12th Jany. 1948.

Sir,

Sub: Industries--Sericulture--Government Silk Filature, Kollegal--Installation of additional handloom--

Ref: Government Dev. Dept. reminder II dated 5-1-1948

The particulars required in the Government Memo. No.96193 DI/47-2 dated 1-11-1947 have been called for from the Sericultural Expert, Government Silk Filature, Kollegal. He has been reminded to furnish his reply before 30th January 1948 when I shall send my reply to Government.

for Director of Industries and Commerce.

Raman/16-1.

N.R 6-2 ees 21/1/48

ER on 0-2 ees
NR on 22-2 ees
ER on 22-2-48

13

INDUSTRIES AND COMMERCE DEPARTMENT.

No. 3869-D/47 dated 23- 2- 1948

From

The Director of Industries and Commerce, Chepauk, Madras.

To

The Secretary to Government, Development Department, Madras.

Sir,

Sub: Industries - Sericulture - Government Silk Filatures, Kollegal - Installation of additional hand looms - regarding.

Ref: Government Memo No.96103-D-1/47-2 dated 1-11-47.

In the Government Memo cited, Government have ordered the inclusion of higher supervision charges in fixing the price of silk fabrics. In this connection I should like to point out that these higher supervision charges are included in working out the cost of production of silk produced by the Government Silk Filatures and I do not see the need for the addition of such charges once again in arriving at the price of the silk fabrics as it is from the general stock of silk produced in the filature that the quantities of silk required for weaving purposes are drawn. The hand loom weaving section is, it should be remembered, only an experimental unit added as an adjunct to the Filature and if higher supervision charges already included in arriving at the price of silk have again to be taken into account in arriving at the price of fabrics, it will tantamount to the higher supervision charges being added twice, once while arriving at the cost of silk and again in arriving at the cost of the fabrics. This I believe is not the intention of Government. I should think that the addition of 8 annas per yard to the cost price of fabrics to cover incidental and indirect charges on account of weaving would serve the purpose.

2. The average production cost per yard of silk fabrics produced is about Rs. 7/- only and the addition of 8 annas per yard of silk fabrics would bring in more than 6¼% margin of profit. Under the circumstances and in anticipation of Government approval, I have permitted the Sericultural Expert, Kollegal to sell the fabrics on the basis of levying 8 annas extra per yard. I request that my action may be approved.

3. A statement showing the annual recurring expenditure involved in undertaking the experimental manufacture of silk fabrics with an abstract thereof as required by Government is enclosed.

for Director of Industries and Commerce.

S.B/24-2

STATEMENT.

Raw Material - 20/22 Silk.

Raw Silk - Each loom is capable of weaving 1½ pieces of cloth in a month. The quantity of silk on an average required for 1 piece is 2 lbs organzine and 2½ lbs. tram.
Therefore for 1½ pieces
3 lbs . organzine , 3 lbs. 12 ozs tram. are required.
For 12 looms 36 lbs " 45 " p.m. are required.
For 12 looms for
1 year 432 lbs " & 540 " tram are required.

The value of 432 lbs of 20/22 organzine at Rs. 39-12-0 per lb .	Rs. 17,172	
The value of 540 lbs of 20/22 tram at Rs. 38-0-0 per lb.	Rs. 20,520	37,692

Degumming & colouring charges
Assuming that 50% of the fabric will be coloured and 50% plain white.

Expenditure on bleaching only

216 lbs of organzine & 270 lbs of tram.		
Washing soda 125 lbs at 0-1-10 per lb.	15--0--0	
Soap - 65 bars of 8" each at 0-11-4 per bar.	46--0--0	
Fuel - 125 mds at 0-3-3 per mannd	26--0--0	
Cocoanut oil - 125 lbs at 1-2-0 per lb.	141--0--0	
Gum - 125 lbs at 1-0-0	125--0--0	
Bleaching & colouring charges at Rs. 1-0-0 per lb for 486 lbs of twisted silk	486--0--0	
		839

Other raw materials
Lace - (Gold thread)
1 mark - 2 marps - Rs.90/-
for 1 month for
4 looms .. 6 marps or 3 marks
For 1 year. .. 36 marks
3,240

Wages
When all the 12 looms are in commission 6 labourers at Rs.27/-p.m. will have to be employed for alta and pirn winding.
expenditure for 1 year on this job will be.
1,944

Expenditure for weaving for one year.

1. 4 weavers(working on looms with dhoby arrangement) on Rs.90/- per piece	6480--0--0	
2. 8 weavers at Rs. 40/- per warp.	5760--0--0	
		12,240

Maintenance charges.
of all the 12 looms at Rs. 3-8-0 per month per loom. 504
Unforeseen expenditure 41

Total Rs. 56,500

Note:- Pay of the foreman and Assistant Foreman has already been included in ascertaining the twising charges. hence this it is not added again.

Estimated cloth produced
8 looms on ordinary fabric
45 yds. per month 12 .. 4,320 yds. of ordinary variety.

4 looms with dhoby arrangement
45 x 4 x 12 2,160 yds-
Total 6,480 yds.

P.T.O.

16

~~Statement of recurring expenditure in weaving section for year.~~

Statement of recurring expenditure in weaving section for a year.

ABSTRACT.

1. Raw Silk	..	Rs. 37,692--0--0
2. Bleaching	..	839--0--0
3. Lace(Gold thread)		3,240--0--0
4. Wages.		1,944--0--0
5. Weavers		12,240--0--0
6. Maintenance charges of handlooms		504--0--0
7. Unforeseen expenses		41--0--0
		56,500-0--0 ✓

MR 24-1-

For 8 looms - 28,250/- A. Venkatachar 25/- Superintendent

Development Dept. (DI)

Memorandum No. 96103 DI/47-4 Dated 24-3-1948.

Sub: Industries - Sericulture - Government Silk Filatures, Kollegal - Installation of additional Handlooms - Expenditure.

Ref: From the D.I.&.C.No.3869 D/47 dated 23-2-48.

As production of silk and weaving of fabrics constitute ~~two difficult~~ two different activities both requiring higher supervision there seems to be no justification to exclude the ~~charges~~ charges on account of such higher supervision in connection with the latter on the ground that it has been ~~included~~ included in the case of the former. The D.I.&.C. is therefore informed that charges on account of higher supervision should be taken into account in fixing the sale price of the fabrics.

The statement of expenditure involved sent along with the letter cited above does not bear out his statement that an addition of As.8/- per yard of silk to the production cost of Rs.7/- would bring in more than 6¼% profit. According to the statement of ~~recurring expenditure~~ cost furnished by him, the recurring expenditure involved in running the 12 looms is Rs.56,500/- per annum or Rs.28,250 /- for six months during which 3240 yards of cloth will be produced. At the rate of Rs.7-8-0 per yard, this will fetch only 3240 x 7½ or Rs.24,300 thus involving the government in a loss of Rs.3,950 for six months. The loss will be increased ~~to a small extent~~ if the interest on capital outlay and depreciation charges are also taken into account. The D.I.&.C. is therefore requested to state whether the proposed experiment will not entail a loss to the Government and if not, to explain fully how it will be remunerative.

A very early reply is requested

To the D.I.&.C.

CPP
- 23.3.48

DEPARTMENT OF INDUSTRIES & COMMERCE.

No. 3869-D/46 dated 27--4--48. A9478

From : Sri P. Govinda Menon, B.E.,
The Joint Director of Industries
and Commerce, Chepauk, Madras.

To: The Secretary to Government
Development Department,
M a d r a s.

Sir,

Sub: Industries- Sericulture- Government Silk Filatures, Kollegal- Installation of additional hand looms.
Ref: Government memo No. 96103-D.I/47-4 Dev.dated 24-3-48.

--

With reference to para1 of the Government memo cited, I submit that I still that the higher supervision charges should not be included in fixing the sale price of the fabrics and that the weaving section should be treated only as an experimental one.

If the higher supervision charges on this account, which will be only a small amount, are to be separated from the filatures account, it would mean considerable additional work and complication in accounts. It is not proposed to sell the silk fabrics at cost price, but a sum of annas eight is added to the cost per yard of fabrics as already reported to cover all the incidental expenses and to ensure a small margin of profit.

Regarding para 2 of the Government memo, I have to state that the figure of Rs. 7/- reported as the cost of production per yard of fabric is a typographical error for Rs. 9/- as the average cost of production works out Rs. $\frac{50500}{6480}$ = Rs. 8-11-0. approximately.

As it has been reported that annas eight will be levied per yard of fabric over the cost of production, a profit of Rs.3240/- will be realised by the sale of 6480 yards. This profit of Rs.3240/- when expressed as a percentage of the turnover ie. 56500/- works out to nearly 6%.

In the above circumstances, I request that Government may be pleased to treat the weaving section as an experimental one exempting it from the levy of higher supervision charges as proposed originally in my letter No. 3869-D/46 dated 3-10-47.

for Director of Industries and Commerce.

Rs/29-4.

Dev. Deptt. (DI)

Industries - Sericulture - G.S.F., Kollegal - Experimental weaving section - Starting of - Proposal of the D.I.& C. - Approved.

G.O.No.4168 Ms. Dev. dated 7-11-46.
From the D.I.& C.No.3869-D/46 dated 3-10-47.
From the D.I.& C.No.3869-D/46 dated 23-2-48.
From the D.I.& C.No.3869-D/46 dated 27-4-48.

...

ORDER NO. 3419 MS.DEV DATED 25.6.48

H.E. the Governor of Madras approves the proposal of the D.I.& C. for starting an experimental weaving section at the G.S.F., Kollegal for a period of six months.

Sanction is accorded to an expenditure of Rs.1,800/- (Rupees one thousand eight hundred only) for installing eight additional handlooms and four sets of dhoby arrangements for border designs apart from the existing four handlooms

Sanction is also accorded to an expenditure of Rs.28,250/- (Rupees twenty eight thousand two hundred and fifty only) on the maintenance of the weaving section for a period of six months as per details in the annexure to this order. The weavers ~~proposed by the D.I.& C.~~ should be employed on piece work basis.

2. The expenditure should be debited to "85.A. Capital outlay on Provincial Schemes of State Trading - C. Other Miscellaneous Schemes - J. Government Silk Filatures, Kollegal - 6 Buildings Plant and machinery and other equipments."

3. The D.I.& C. is requested to so fix the selling price of the Silk Fabrics ~~that it covers the~~ as to cover the actual cost of production of the fabrics ~~and then to add~~ (an extra sum of annas eight per yard to meet other incidental expenses and (a further addition) to allow a small margin of profit. He is permitted to exclude higher supervision charges in the actual cost of production of the silk fabrics.

4. The action of the D.I.& C. in having proceeded with the work of installing the handlooms and in having arranged to sell the fabrics produced on the basis mentioned in para 3 above in anticipation of the sanction of the Government is approved.

To The D.I.& C.
" A.G. through
Fin.
Copy to S.F.

ANNEXURE.

STATEMENT.

Raw Material. 20/22 Silk.

Raw Silk - Each loom is capable of weaving 1½ pieces of cloth in a month. The quantity of silk on an average required for 1 piece is 2 lbs organzine and 2½ lbs. tram. Therefore for 1½ pieces.

3 lbs organzine, 3 lbs. 12 ozs tram. are required.
For 12 looms 36 lbs organzine 45 lbs p.m. are required.
For 12 looms for
1 year 432 lbs " & 540 lbs tram are required.

The value of 432 lbs of 20/22 organzine at Rs.39-12-0 per lb.	Rs.17,172	
The value of 540 lbs of 20/22 tram at Rs.38-0-0 per lb.	Rs.20,520	37,692

Degumming & colouring charges
Assuming that 50% of the fabric will be coloured and 50% plain white.

Expenditure on bleaching only.

216 lbs of organzine & 270 lbs of tram.

Washing soda 125 lbs at ~~0-10-0 per lb.~~ 0-1-10 per lb.	Rs.14-5-2	
Soap - 65 bars of 8" each at 0-11-4 per bar.	Rs.46-0-8	
Fuel - 125 mds at 0-3-3 per maund	Rs.25-6-3	
Cocoanut oil - 125 lbs. at 1-2-0 per lb.	Rs.140-10-0	
Gum - 125 lbs at 1-0-0	Rs.125-0-0	
Bleaching & colouring charges at Rs.1-0-0 per lb for 486 lbs of twisted silk.	Rs.486-0-0	839

Other raw materials.

Lace - (Gold thread)

1 Mark - 2 warps - Rs.90/-
For 1 month for
4 looms 6 warps or 3 marks.
For 1 year. 36 marks. } 3,240

Wages.

When all the 12 looms are in commission 6 labourers at Rs.27/- p.m. will have to be employed for alta and pirn winding. expenditure for 1 year on this job will be. 1,944/-

Expenditure for weaving for one year.

1. 4 weavers (working on looms with dhoby arrangement) on Rs.90/- per piece. 6480--0--0
2. 8 weavers at Rs.40/- per warp. 5760--0--0 12,240

Maintenance charges.

of all the 12 looms at Rs.3-8-0 per month per loom. 504
Unforeseen expenditure. 41
Total 56,500 or
28,250 for 6 months

Dev. Deptt.

GRANT XXXIX - CAPITAL OUTLAY.

ON PROVINCIAL SCHEMES OF STATE TRADING.

Estimate of the amount required for further expenditure.

Voted ... Rs 100
Total of sums charged ... Nil.

Summary.

Major Head. (1)	Minor Head. (2)	Sub-heads of appropriation. (3)	Estimated amount of further expenditure for 1948-49. Voted Rs (5) / Charged Rs (6)
35.A Capital Outlay on Provincial Schemes of State Trading.	C. Other Miscellaneous Schemes.	J. Government Silk Filatures, Kollegal - 6 Buildings, Plant and Machinery and other equipments.	Nil. / 100/-

EXPLANATORY NOTE.

Sanction has been accorded to the starting of an experimental weaving section at the Govt. Silk Filatures, Kollegal for a period of six months. The cost of the scheme in 1948-49 is estimated to be Rs.30,050/- ~~non-recurring~~ It is expected that the expenditure will be met from the sale proceeds of the fabrics produced

As the expenditure is on a 'new service' a token sum of Rs.100/- is included in the supplementary estimate. The balance of the expenditure in the current year will be met from savings within the grant or by obtaining an additional appropriation from the Legislature in March 1949.

93082

Secretary to Government,
[illegible]

No. 3839-D1/46, dated 28th Aug. 19[illegible].

Sir,

Sub: Industries - Sericulture - Government Silk Filatures, Kollegal - Experimental Weaving; Section 4 - Fixation of Selling Price of silk fabrics.

Ref: G.O. No. 3419, Development, dated 20th June, 1946.

xxxxxxx

In [illegible] the above [illegible] have [illegible] silk fabrics [illegible] fabrics, [illegible] eighth [illegible] and [illegible] as [illegible] profit, [illegible] All the items of expenditure including [illegible] production [illegible] will, therefore, represent profit only, which works out to about 6 per cent on the turn over. I submit therefore that there is no necessity to add anything over and above the 8 annas proposed per yard.

2. If a further addition is made, the prices of silk fabrics worked in the filature will not be competitive with the market rates for similar fabrics. In the circumstances, I request that paragraph 3 of the G.O., under reference may be suitably amended so that the selling price may be fixed as to cover the actual cost of production of the fabrics and a sum of eight annas per yard towards incidental expenses and profit.

for Joint Director of Industries and Commerce.

9/26/8.

139/14/9

Dev. Dept. 29.

Memorandum No.93082 D.I/48-1 dated 13-9-48.

Sub: Industries -Sericulture - G.M.F. Kollegal-Experimental Weaving Section - selling price of silk fabrics - Fixation of.

Ref: G.O.No.3419 Ms.Dev. dated 25-6-1948 From the Jt.D.I.&.C. No.3869 D.I/46 dated 25-8-1948.

f. 21-23 : F(T)

1 cf

f2 1 cf (T)

In para 3 of the G.O. read above, the following should be substituted in the place of the first sentence:-

"The D.I.&.C. is requested to so fix the selling price of the silk fabrics as to cover the actual cost of production of the fabrics and an extra sum of annas eight per yard to include other incidental expenses and a small margin of profit".

To the D.I.&C.
" A.G.thro' Fin.
Copy to S.F.

To go ahead 8.9.48

CPG 13.9.48

Note. Please see the original proposals of the D.I.&.C

P.T.O.

in para 4 p.3 C.F. of (T) and orders at 'L' p.21 C.F. of (T). In the circumstances stated by the D.I.&.C.on p.1 C.F. it is for orders whether ~~his proposal will be approved~~ para 3 of the order on p.21 CF of (T) will be amend

Subject to orders the draft Memo on p.1-a above is submitted for approval. [Finance may see.]

What Fin approved is what we are stating in the present amendment. The previous draft- ~~order~~ at 'L' on p 21 Cf of (T) is a mistake. Fin need not therefore see

CPS
13.9.48

T 8948 DR 8.9.48

Draft G.C.O.

DTV DTSR

96103 Dtd

Sub Industries - Sericulture - G.O.F, Kollegal - Installation of Handlooms - Expenditure

Ref: Form Lr D.Dc No 3589 dtd 3-10-47

TO A.S

Make Secl Lr. D.Dc's letter at pp1-3 C.F. and its enclosure at pp 5-7 ag.

In G.O No 4168 Rev dt 7-11-46 the Govt Sanctioned an expenditure of Rs 1000/ on the manufacture of silk fabrics with a view to distribute them as an advertisement and to demonstrate that high class fabrics could be produced of the silks manufactured at the Kollegal filatures.

The D.D.C had reported at that time that the fabrics would be got manufactured by the South Indian Silks Ltd Gudiyattam and by the Mysore Spun Silk Mills Ltd Channapatna. It is now stated by the D.D.C that on the basis of the orders issued in the G.O at (P), he spent Rs 400/- for the installation of four handlooms in the Silk filatures. This is an action which he has taken without formal sanction of the Govt to undertake weaving of fabrics in the Silk filatures, Kollegal.

For the reasons stated at 'M' on p 1 ag. the D.D.C has now proposed:

(i) that an expenditure of Rs 1200 for setting up 8 more handlooms including 4 sets of dobby arrangements for border designs be sanctioned.

(ii) that permission be accorded to the sale of 200 yds of Silk fabrics produced on the existing four looms and of the fabrics to be produced hereafter, at prices to be fixed by him in relation to the actual working expenses with a margin of 8 as per yard to cover incidental charges & a small profit; and

(iii) that the proposal to weave fabrics be treated as an experimental measure carried out on the lines indicated at 'N' on p 3 ag, for a period of six months with effect from the date of issue of orders thereon.

As regards item (i) above, the D.D.C

has stated that MR(I) has given oral instructions, during his recent visit to Kilcoal, to proceed with the proposal in anticipation of sanction. The proposal has now only to be ratified formally. For orders.

'M' on p. 1 of CPS 15.10.49

Items (ii) & (iii) on p. 1 above are a necessary sequel to the acceptance of proposal (i) above. The Govt Silk Farms, Kilcoal, which is a State Trading Concern has of late been a field for experiments by the D.I.& C. on management of commercial concerns by the State. The present proposal is not to form part of the commercial concern for a period of six months and the D.I.& C. has undertaken to see that the experiment does not involve any loss to the Govt. On this basis, the proposals (iii) & (iii) on p. 1 above may be accepted. For orders.

'Z' on p. 1 of CPS 15.10.49

After orders are passed on the above, the Case may be sent to this Dept for remarks.

CPS 15.10.49 J/S

Attn 14/10/49

May be accepted. I have perused this both Dte. & Govt & feel that if we confine our attention only to the production of yarn, which prices are subject to wide fluctuations for reasons beyond our control & do not provide for manufacture of finished products, the venture is hardly likely to survive competition. This is therefore a step in the right direction & is probably likely to save us from risks

Dy.No. 9010 3.Y(a)-1

15/x

15/x

Finance (Exp.B) Dept.

ADDITIONAL DEPUTY 6205 16 OCT 1941 FINANCE DEPARTMENT

Please see the notes of Dept. on pages 1-2 above.

2/. The D.I.& C. has stated that it is not proposed to include higher supervision charges in the actual working of the fabrics. There seems to be no

In p 3 of X

X justification to omit the higher Supervision charges. The D.I. & C. may be requested to take them also into account in fixing the sale price of the fabrics

Subject to the above remarks, Z-C.P. the proposals of Dev. on p. 2 above may be accepted.

3. With reference to Finance U.O. Note No. 32069(A) B. G.-2 dated 27.8.1945, a new experiment should be treated as 'New Service', if its estimated cost exceeds Rs. 2,500/- p.a. recurring or Rs. 10,000/- non-recurring. The non-recurring expenditure in the present case is only Rs. 1,800/-, Dev. may be requested to Y obtain a re-estimate of the recurring expenditure so that the proposal may be treated as a "New Service".

(*) Even if this proposal already means (Rs. 400) be included, para 2 on p 1 of the total cost does not exceed the limit of Rs. 10,000

Fin. U.O. 62-051/(9)B(7).1.

103171 28-XII

DEV DEPT

To A.S.

Please see Fin. Dept notes from p 2 above./// Fin. dept have agreed to the proposal for the setting up of eight more handlooms for the manufacture of silk fabrics etc. at a cost of Rs.1800/- and other proposals as detailed at 'M' on p 1 above.

✓ Z above.
- X C.P.

H.

Fin. Dept. however consider that there seems to be no justification to omit the higher supervision charges and that the D.I.&.C. may be requested to take such charges also into account in fixing the sale of price of the ~~fabrics~~ fabrics. Fin. dept also require an estimate of the recurring expenditure to see whether the proposal need be treated as a "New Service."

Subject to the acceptance of the view of Fin. Dept. at M'aboca draft memo to the D.I.&.C. is submitted below for approval.

[Issued as Memo 96103 DI/47-2 d. 1.1.47]

From the DI to No. 31865-D/47 Dt. 23.12.47 - p/n 13-16 C/F

To A.S.

The D.I.&C.'s letter at pp 13-16 C/F in reply to the Fin. memo at p 9 C/F may be perused at ante.

The estimate of the recurring expenditure wanted by the Finance dept. has been obtained from the D.I.&C. and is at pp 15-16 C/F. The case may be sent to Finance dept. for perusal of the letter of the D.I.&C. at pp 13-16 C/F and for remarks with reference to their notes at 'X' and 'Y' on p3 ante

5/3/48

Fin

Finance(Exn.B.)Dept.

(Previous Finance note on pp.2-3 above)

Please see the reference from the Director of Industries and Commerce on pp.13-16 C.F.

The Director of Industries & Commerce has stated that there is no need to include higher supervision charges in fixing the price of silk fabrics. The reason advanced by him is that the higher supervision charges are included in working out the cost of producing silk produced by the filatures. Production of

D'tte no. No.96103 DI/47-3. 13/3/48

Para 1, P13 C F

ASST. SECRETARY TO GOVERNMENT 16927 13 MAR 1948 FINANCE DEPARTMENT

para 1, P13 C F

silk

silk and weaving of fabrics constitute two different activities both requiring higher supervision and there seems to be no justification to exclude the charges on account of such higher supervision in connection with the latter on the ground that it has been included in the case of former. Development may be requested to inform the Director of Industries & Commerce that charges on account of higher supervision should be taken into account in fixing the sale prices of the fabrics.

The Director of Industries and Commerce has stated that the addition of 8 annas per yard to the cost price of fabrics to cover incidental and indirect charges on account of weaving would serve the purpose. It will be seen from the statement on p.15 C.F. that the recurring expenditure involved in running the 12 looms is Rs.56,500 per annum or Rs. 28,250 for six months during which period 3240 yards of cloth will be produced. The cloth can be sold, according to the proposal of the Director of Industries and Commerce, for Rs. 24,300 only at the rate of Rs. 7-8-0 per yard, thus involving the Government in a loss of Rs. 3,950. The loss will be increased to a small extent if the interest on capital outlay and depreciation charges are also taken into account. The Director of Industries & Commerce, however, expects a small margin of profit. Development may be requested to ask the Director whether the experiment proposed will actually entail loss to the Government and, if not, to explain fully how it will be remunerative.

Fin.U.O. 16927 EB-I
17.3.48

Dev. Dept/DZ

To A.S.

The objections of Finance Department at pp.4-5 above may be put to the D.I.&.C. Subject to orders a draft memo is submitted for approval.

22/3/48 22/3/48

C.P. - 23.3.48

Issued as Memo No 96103 DZ/47-5 dt 24-3-48 P 17 C

From Cls Tx D Ae No 8869 D/46 dt 27-4-48 P 19 C

To AS

Please see the memo issued at p.17 c.f. with reference to Finance note ~~at p.1 c.f.~~ on pp 4-5 above and the D.I's reply at p 19 C.

The D.I. & C. still feels that the higher supervision charges should not be included in fixing the sale price of the ~~fabric~~ weaving section is proposed to be started only as an experimental one. He also fears considerable additional work and complication in accounts if the higher supervision charges are to be included in fixing the sale price of the fabric.

N c 19 C

A

With reference to para 2 of Finance Note on p. 5 above attention is invited to portion marked 'M' on p.19 c.f. The D.I. & C. has reported that there will be a 6% profit. In the circumstances it is for orders whether the proposal at K on p. 19 c.f. will be supported in this Department.

M-a p 19 C

The file may be sent again to Finance Department for remarks.

4/5/48 4/5/48

Although A is not a convincing reason, in view of the difficulties in accounting and also of the fact that a margin of eight annas is to be added to the cost price, Govt need not insist on the levy of higher Supervision charges for the weaving Section for the present.

C.P. 5.5.48

S 8/5

Dy no no 96103 DZ/47-5 dt 8-5-48.

SECRETARY TO GOVT. 35-8-74 1948 £5 FINANCE DEPARTMENT

Finance (Exp.B) Deptt.

With reference to previous Finance notes on pp.4-5-above, please

see the letter from the D. I & C. on p.19 c.f. and the note of Development on p.6 above.

The D. I & C. has represented that if higher supervision charges, which will be only a small amount, are to be separated from the filatures account, it would mean considerable additional work and complication in accounts and that the sum of Annas 8/- proposed to be added to the cost per yard of fabric will cover all incidental charges and ensure a small margin of profit. In the circumstances, Finance need not press the suggestion that higher supervision charges should be included in fixing the price of the fabrics during the period of 6 months when the weaving is to be conducted on an experimental basis.

The D. I & C. has now reported that the cost of production of a yard of fabric is Rs.9/-. Taking into account the [illegible] of Annas 8 per yard referred to at A above, the sale proceeds of the fabrics to be produced in 6 months will work out to Rs.30,780 against an expenditure of Rs.28,250. Thus the proposal for the installation of the looms for weaving silk fabrics as an experimental measure for 6 months appears to be remunerative and may be agreed to in Finance.

The expenditure involved in the proposal is Rs.1,800 non-recurring, and Rs.56,500 per annum recurring. As the recurring expenditure is large, the proposal should be treated as a 'New Service' and ordinarily referred to the Standing Finance Committee and the Cabinet. The D. I & C., however, reported in October 1947 that, as per instructions from H.M (Industries), the work of installation of the looms was in progress. Apparently the installation has been completed now. Development may, in the circumstances, be requested to obtain orders in circulation to H.M (Industries), H.M (Finance) and the Hon'ble the Premier, and issue orders sanctioning the proposal. A summarising note should then be circulated to all other Hon'ble Ministers, Chief Secretary and the Finance Department. Development have also to obtain a supplementary grant from the Legislature in accordance with instruction IV (ii) in the Annexure to Finance U.O.Note.26978(A)-B.C-4, dated 21-12-47.

through Accts.A

U.O 3587 4 Eb-1 14.5.48

55 9 9

8 43/2/45 9-5-47 DEV DEPT

(Start a weaving Section)

The proposal in this file is to erecting 8 additional handlooms including 4 sets of dhoby arrangements for border designs in the Government Silk Filatures, Kollegal at a non-recurring expenditure of Rs.1,800/-. The proposal also involves Rs.56,500/- per annum recurring on maintenance of this weaving section. As the proposal is by way of experiment only for 6 months, the whole expenditure is proposed to be treated as non-recurring and works out to Rs.30,450/- (Rs.1,800/- plus Rs.28,250/-). The sale proceeds of the fabrics to be produced in 6 months will work out to Rs.30,780/- Thus the proposal is expected to be profitable. As the expenditure exceeds Rs.20,000/- the proposal will have to go before the Standing Finance Committee and the Cabinet. The D. I. & C. however reported in October 1947 that as per instructions from H.M.(Industries) the work of installation of the looms was in progress. Finance Department have therefore suggested that orders may be issued after circulation to H.M.(Ind.), H.M.(Fin.), and H.Pr.

The file may now be circulated for the approval of the scheme for the starting of a weaving Section at the Govt. Silk Filature, Kollegal as an experimental measure for a period of 6 months at a non-recurring expenditure of Rs.30,050/-.

CPG 23.5.48

20/5/48

H. is necessary to have some Comm: Experimentally we may sanction for 6 months. The scheme does not involve any loss to Govt.

24/5

B.G.P. 27.5

Weavers may be engaged on piece work basis.

G.P.R 12/6

14/6

with ref. to H's remarks above it is submitted that

the proposal is only to employ Weavers on piece work basis — please see 'M' on page 15 CF. However Specific mention may be in the order CPG

14.6.48

TO RS

A draft order is submitted below for approval. [After since action w.r.t. N on ⌀7 above will be taken]

CPG — 23.6.48

21/6/48

1-c.s. ef

Issued as G.O. No 3419 Dev d) 25/6/48

73578(1) 34/2/7 Dev. Deptt.

Special

SUMMARISING NOTE.

Industries - Sericulture - G.S.F. Kollegal - Experimental weaving section - Starting of - Proposal of the D.I.& C.

...

The proposal of the D.I.& C. in this case is to start a weaving section by erecting x 8 additional handlooms including 4 sets of dhoby arrangements for border designs in the ~~G.S.F.~~ Govt. Silk Filatures Kollegal at a non-recurring expenditure of Rs.1,800/- ~~The proposal involved a cost of~~ and a recurring expenditure of Rs.56,500/- per annum ~~recurring~~ on maintenance of this weaving section. As the proposal is by way of experiment and only for 6 months, the whole expenditure is proposed to be treated as non-recurring and works out to Rs.30,050/- ~~xxx~~ (Rs.1,800 plus Rs.28,250/-). The total expenditure will come to Rs.30.450/- if the sum of Rs.400/- being the cost of four handlooms already installed is also taken into account. The sale proceeds of the fabrics to be produced in all in 6 months are estimated to be ~~to~~ Rs.30,780/- . Thus the scheme is expected to be profitable. As the expenditure exceeds Rs.20,000/- the proposal should go before the Standing Finance Committee and the Cabinet. The D.I.& C. however reported in October 1947 that as per instructions from H.M.(Industries) the work of installation of the looms was in progress. Finance Department therefor suggested that orders might be issued after circulation to H.M.(Ind.), H.M.(Fin.) and H.Pr. This was done and sanctioning ~~x the x scheme~~. Orders sanctioning the scheme were ~~accordingly~~ issued in G.O.No.3419 Dev. dated 25-6-48.

The above note may be circulated to the other Hon'ble Ministers who have not seen the case. A copy may also be sent to the Chief Secretary.

HH (R.D) V.K. 5-7-48
HH (P.H) 6/7
HH (L.R.)
HH (Agn)
HH (Edn) 2/7
HH (L.A.) 8/7
HH (Pothu)
HH (PW)
HH (Food) 12/7

12.

1267

To AS Please see the summarising note overleaf with reference to this note at N on p7 N.F. of Go 3419 Msdns. dt 25-6-48 a draft note for a token grant from the Legislature is submitted below for approval. This dept. may see for acceptance. (a)

17.7.48

17/7/48

CPL 20.7.48

Fin (BS)

Accepted, as amended

21.7.48

Fin. Sec's No 73518 dt 20-7-48

dt 20-7-48

52613

Dept-80957

DRV DEPT

To AS.

Five Copies of the note Fin. No. 52613 sh-1 may now be sent to I Dept as finally amended

27/7/48

W.148 27/7/48

CPL 28.7.48

Fin x

x Five Copies despatched to Finance-vide p25cf